



Assurance of General Purpose Water Accounting Reports

Statement of Water Accounting Concept SWAC 8

CITATION

1. This Statement may be cited as Statement of Water Accounting Concepts 8 *Assurance of General Purpose Water Accounting Reports* (SWAC 8).

APPLICATION

2. The concepts in this Water Accounting Conceptual Framework (WACF) underpin general purpose water reporting. Unless regulation requires the adoption of the WACF, the concepts are not mandatory requirements for the preparation of General Purpose Water Accounting Reports (GPWAR).
3. This Statement does not establish standards or provide mandatory requirements for the performance of assurance engagements in relation to GPWAR. Australian Water Accounting Standards (AWAS) contain mandatory requirements and explanatory guidance, consistent with the concepts in the WACF, for the performance of assurance engagements.
4. The WACF applies to GPWAR issued after 11 May 2009.

INTRODUCTION

5. The purpose of this Statement is to define and describe the elements and objectives of an assurance engagement for GPWAR.
6. This Statement specifies the assurance requirements that will help to enable GPWAR to satisfy their intended objective, as specified in SWAC 2.

WATER ACCOUNTING CONCEPTS

7. The following concepts shall be interpreted in the context of all paragraphs included in this Statement.
8. Definitions, as outlined in the Water Accounting Conceptual Framework Preface, shall be read as forming part of the accounting concepts set out in this statement.

Concepts of the Assurance Of General Purpose Water Accounting Reports

9. **General Purpose Water Accounting Reports shall contain an independent attestation that they reports have been prepared in accordance with approved water accounting standards and other approved pronouncements governing the content of the reports and are consistent with the concepts in the Water Accounting Conceptual Framework.**
10. **The attestation of General Purpose Water Accounting Reports shall be conducted in accordance with applicable auditing and assurance standards and ethical standards and principles related to integrity, objectivity, professional competence and due care, confidentiality and professionalism.**

DISCUSSION

Definition and Objective of an Assurance Engagement

11. “Assurance engagement” means an engagement in which an assurance practitioner expresses an opinion as to whether the GPWAR are prepared in accordance with AWAS and concepts in the WACF. This Statement does not cover assurance reports related to special purpose water accounting reports.
12. The purpose of the opinion expressed in an assurance engagement is to enhance the confidence of users of GPWAR when using those reports for making and evaluating decisions about the allocation of resources.
13. The assurance practitioner must gather sufficient appropriate evidence to provide a reasonable basis for expressing an opinion in an assurance report.
14. For the purposes of this Statement, an “assurance practitioner” means a person or an organisation, whether in the private or public sector, involved in the provision of assurance services.
15. In addition to the WACF and AWAS, assurance practitioners who perform assurance engagements shall be governed by:
 - a) any applicable code of conduct, issued by a professional body, which establishes relevant fundamental ethical principles for assurance practitioners
 - b) those quality control requirements for firms, issued by a professional body, which establish relevant standards and provide guidance on a firm’s system of quality control
 - c) any applicable auditing or assurance standards issued by a professional body
 - d) relevant legislative requirements.

Code of Conduct

16. The applicable code of conduct of a professional body provides appropriate guidance on the application of fundamental ethical principles to assurance engagements.
17. An applicable code of conduct of a professional body includes a conceptual approach to independence that takes into account, for each assurance engagement, threats to independence, accepted safeguards and the public interest. The code requires firms and members of assurance teams to identify and evaluate circumstances and relationships that create threats to independence and to take appropriate action to eliminate these threats or to reduce them to an acceptable level by the application of safeguards.

Fundamental Ethical Principles

18. The fundamental ethical principles that apply to all assurance engagements include:
 - a) Integrity. An assurance practitioner must be straightforward and honest in professional and business relationships. Integrity also implies fair dealing and truthfulness.
 - b) Objectivity. An assurance practitioner has an obligation not to compromise their professional or business judgment because of bias, conflict of interest or the undue influence of others.
 - c) Professional competence and due care. An assurance practitioner must maintain professional knowledge and skills at the level required to ensure that clients or employers receive competent professional service; and act diligently in accordance with applicable technical and professional standards when providing their services.

- d) Confidentiality. An assurance practitioner must refrain from disclosing outside the firm or employing organisation confidential information acquired as a result of professional and business relationships without proper and specific authority from the client or employer or unless there is a legal duty to disclose. Further, he/she must not use confidential information acquired as a result of professional and business relationships to their personal advantage or the advantage of third parties.
- e) Professional behaviour. An assurance practitioner must comply with relevant laws and regulations and avoid any action or omission that may bring discredit to the profession. This includes actions or omissions that a reasonable and informed third party, having knowledge of all relevant information, would conclude has a negative effect on the good reputation of the profession.

Quality Control

19. The following elements of a quality control system apply to all assurance engagements:
- a) leadership responsibilities for quality on the assurance engagement
 - b) ethical requirements
 - c) acceptance and continuance of client relationships and specific assurance engagements
 - d) assignment of assurance engagement teams
 - e) assurance engagement performance
 - f) monitoring.